



February 12, 2014

Item No. 11

**RECOMMENDATION TO ENTER INTO A CONTRACT WITH THE CENTER FOR ECONOMIC
PROGRESS FOR THE EARNED INCOME TAX CREDIT PILOT**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners ("Board") authorize the Chief Executive Officer or his designee to enter into a contract with the Center for Economic Progress ("CEP"), which will provide early tax refund loans to up to 500 CHA residents who enroll in the Earned Income Tax Credit ("EITC") pilot in an amount not-to-exceed \$575,000 for the period of March 1, 2014 through June 30, 2015.

The Executive Vice President ("EVP") of Resident Services, the Office of the General Counsel and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE GOAL

The EITC pilot supports CHA's Plan Forward goal of providing targeted services to residents at critical milestones in their lives.

FUNDING: CHA Non-Federal Funds

CONTRACT SUMMARY

Center for Economic Progress
567 West Lake, Suite 1150
Chicago, Illinois 60661

Contract Type: Professional Services
Base Contract: \$575,000
Option Years: None
Term: March 1, 2014 through June 30, 2015

COMPLIANCE INFORMATION:

Not Applicable – Non-Federal Funds
CHA funds will be used only for disbursement of the loans. Chicago DFSS will pay all administrative and related service fees to CEP.

GENERAL BACKGROUND

CHA's Resident Services Division is charged with helping families move along the path to self-sufficiency. To accomplish this goal, CHA is seeking to participate in an EITC pilot initiative that will provide early tax refund loans to up to 500 CHA participants who are eligible for the EITC pilot in 2014. This initiative supports CHA's Plan Forward goals, and housing in general, by

providing a quarterly early tax credit refund loan that will assist families in maintaining lease compliance (e.g. assist in timely rent and utility payments).

In January 2014, CHA received notice of the EITC pilot contemplated by the Mayor's Office through their agreement with CEP. The pilot, which includes a research component, seeks to test the benefit of receiving quarterly cash advances of the Earned Income Tax Credit for working families in easing the difficulties that result when families have limited cash on hand. CEP will facilitate the administration and disbursement of the tax credit pilot. CEP will determine the advance loan amount by conducting a thorough review of participants' current income and an analysis of past taxes to project the estimated 2014 tax refund for EITC. Participants will receive no more than 50% of their projected tax credit in quarterly loan payments. CHA will leverage the existing service providers to facilitate recruitment and enrollment of eligible CHA residents.

CEP has been contracted by the Chicago Department of Family and Support Services ("DFSS") to facilitate the EITC pilot. CEP will utilize the non-federal funds provided by CHA to make the early tax refund as a loan to CHA participants. DFSS will pay all of CEP's administrative and related service fees to directly to CEP.

CEP is a local expert on helping low-income working families move towards financial security through a variety of financial literacy services including, but not limited to: tax clinics and preparation assistance, financial education workshops and individual financial coaching.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The EVP of Resident Services concurs with the recommendation to enter into a contract with CEP for the EITC pilot.

The CEO/President recommends the Board authorize entering into a contract with the Center for Economic Progress, which will provide early tax refund loans to up to 500 CHA residents who enroll in the Earned Income Tax Credit pilot in an amount not-to-exceed \$575,000 for the period of March 1, 2014 through June 30, 2015.

RESOLUTION NO. 2014-CHA-24

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated February 12, 2014 entitled "RECOMMENDATION TO ENTER INTO A CONTRACT WITH THE CENTER FOR ECONOMIC PROGRESS FOR THE EARNED INCOME TAX CREDIT PILOT";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with the Center for Economic Progress, which will provide early tax refund loans to up to 500 CHA residents who enroll in the Earned Income Tax Credit pilot in an amount not-to-exceed \$575,000 for the period of March 1, 2014 through June 30, 2015.



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